



BOND STORES, INCORPORATED

ANNUAL MEETING

APRIL 14, 1942

NOTICE OF MEETING

BOND STORES, INCORPORATED ANNUAL MEETING OF HOLDERS OF COMMON STOCK

TO THE HOLDERS OF COMMON STOCK OF
BOND STORES, INCORPORATED:

NOTICE IS HEREBY GIVEN, that the annual meeting of the holders of Common Stock of BOND STORES, INCORPORATED, a Maryland corporation, will be held at the office of the Company, Room 1654, Baltimore Trust Building, No. 10 Light Street, Baltimore, Maryland, on Tuesday, April 14, 1942, at ten o'clock A.M. of that day for the purpose of (a) electing directors of the Company for the ensuing year; (b) considering and acting on a proposal to amend the By-Laws of the Company to add a new article, to be known as "ARTICLE IX", such article to provide that each director, officer and employee of the Company shall be indemnified by the Company against expenses incurred by him in connection with any action, suit or proceeding in which he is made a party or with which he shall be threatened by reason of his being or having been a director, officer or employee of the Company, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties as such director, officer or employee, such rights of indemnification not to be exclusive of any other rights to which any such director, officer or employee may be entitled as a matter of law; and (c) transacting such other business as may come before the meeting.

The holders of Common Stock of record at the close of business on March 25, 1942, will be entitled to notice of and to vote at the meeting and any adjournment thereof.

The transfer books will not close.

Dated, New York, N. Y., March 30th, 1942.

By Order of the Board of Directors,

IRVING COHEN,

Secretary.

(If unable to be present in person at the meeting, please fill in your voting instructions and sign the enclosed proxy and return it in the enclosed addressed envelope, to which no postage need be affixed if mailed in the United States.)

PROXY STATEMENT

BOND STORES, INCORPORATED ANNUAL MEETING OF HOLDERS OF COMMON STOCK

1. Any stockholder giving the proxy enclosed with this statement has the power to revoke the same. The proxy is solicited by mail by and on behalf of the management of BOND STORES, INCORPORATED. The expenses of soliciting proxies for the Annual Meeting are to be paid by the Company.

2. At the Annual Meeting seven (7) directors are to be elected. It is the intention of the persons named in the enclosed form of proxy to vote such proxy for the election of the nominees named below. Such nominees respectively owned beneficially as of March 14, 1942, the securities of BOND STORES, INCORPORATED set opposite their names:

<i>Name of Nominee</i>	<i>Common Stock</i>
BENJ. J. FRIEDMAN.....	114,957
BARNEY RUBEN	78,041
IRVING COHEN	770
JAMES W. CONNORS	3,130
HERBERT H. MAASS	100
JOHN M. HANCOCK.....	*
MAURICE WERTHEIM	**

*100 shares beneficially owned by Lehman Brothers of which firm John M. Hancock is a partner.

**1000 shares beneficially owned by Maurice Wertheim; 5119 shares beneficially owned by Wertheim & Co., of which firm Maurice Wertheim is a partner.

As of March 14, 1942, Benj. J. Friedman and his associates held 118,989 shares of Common Stock of the Company, and Barney Ruben and his associates held 91,578 shares of Common Stock of the Company. 4,354 shares of Common Stock of the Company not included in the foregoing figures were held of record by two trusts, Barney Ruben being one of the two trustees of each of such trusts. Barney Ruben has no beneficial interest therein.

Since February 28, 1940, 20,000 shares of Common Stock owned by Benj. J. Friedman and 10,000 shares of Common Stock owned by Barney Ruben have been under options at \$25 a share up to and including March 1, 1943, to Lehman Brothers, of which firm John M. Hancock is a partner, and Wertheim & Co., of which firm Maurice Wertheim is a partner, in which options the firm of Maass & Davidson, of which firm Herbert H. Maass is a partner, has a 20% interest. No such options have been exercised. On February 28, 1940, based on the last sale on the New York Stock Exchange on that day, the market value of each such share of Common Stock was \$24.50.

John M. Hancock is a member of the firm of Lehman Brothers which, within the past five years, was one of the principal underwriters of Common Stock of the Company. As of March 14, 1942, Lehman Brothers owned beneficially 100 shares of Common Stock of the Company. In addition, Lehman Brothers was on that date the holder of 1420 shares of Common Stock of the Company for customers, in which it had no beneficial interest. Maurice Wertheim is a member of the firm of Wertheim & Co. which, within the past five years, was one of the principal underwriters of Common Stock of the Company. As of March 14, 1942, Wertheim & Co. owned beneficially 5,119 shares of Common Stock of the Company. In addition, Wertheim & Co. was on that date the holder of 16,050 shares of Common Stock of the Company for partners, members of the families of partners, and customers in which it had no beneficial interest.

John M. Hancock and Maurice Wertheim were originally invited by the management of the Company to become candidates for election as Directors of the Company. Their consent thereto resulted from an arrangement with them and their respective firms by Messrs. Benj. J. Friedman and Barney Ruben.

The information given above as to the holdings of securities of the Company has been furnished by the respective nominees.

The total number of shares of Common Stock of the Company, outstanding and entitled to vote, is 701,497.

Benj. J. Friedman and Barney Ruben each received \$30,000 for their services during the past fiscal year. Irving Cohen and James W. Connors each received one of the three highest amounts of remuneration paid by the Company during the same period, the amounts being \$38,200 and \$36,000 respectively.

The aggregate amount of remuneration paid during the last fiscal year by the Company to directors and officers of the Company, considered as a group, for services in all capacities was \$206,208, exclusive of the sum of \$25,000 paid for legal services to a law firm of which Herbert H. Maass, one of the directors

of the Company, is a member. No remuneration was paid by any subsidiary of the Company to such directors and officers.

3. At the meeting stockholders are to act upon a proposal that the by-laws of the Company be amended by the addition thereto of a new article, to be known as ARTICLE IX, to read as follows:

"ARTICLE IX

"INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

"Section 1. Each director, officer and employee of the Corporation shall be indemnified by the Corporation against expenses reasonably incurred by him in connection with any action, suit or proceeding in which he is made a party or with which he shall be threatened by reason of his being or having been a director, officer or employee of the Corporation, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties as such director, officer or employee. The foregoing rights of indemnification shall not be deemed exclusive of any other rights to which any such director, officer or employee may be entitled as a matter of law."

A number of corporations in recent years have adopted and an increasing number of corporations are adopting, by-laws of this type. The amendment is to provide indemnity to directors, officers and employees of the Company as to all matters except in relation to matters as to which they shall be adjudged to be liable for negligence or misconduct, and will apply, insofar as such indemnification is permitted by law, to persons who are no longer directors, officers or employees of the Company at the time of the adoption of the amendment.

Indemnification may be provided against expenses incurred by directors, officers or employees who are held liable where adjudication of liability does not involve determination of the question whether or not they have been guilty of negligence or misconduct. In instances where judgment is rendered in favor of such director, officer or employee on grounds other than his freedom from negligence or misconduct, such as procedural defects in proceedings or unwarranted delay of the plaintiff in bringing action, such indemnity may be applicable. In case of settlement, indemnification may be available although it appears that the defendant director, officer or employee might be held liable for negligence or misconduct in the performance of his duties if action were to go to judgment. Indemnification will include amounts paid to the Company itself as well as amounts paid to a third person.

The proposed by-law, according to its terms, may have the effect of providing indemnity against amounts of judgments and related expenses (inclusive of payments in compromise and related expenses in settled cases or claims) in suits arising under Federal, State or other legislation enacted for the protection of investors or for other purposes.

The term "expenses" shall include amounts paid on judgments or in settlement of actions or claims against directors, officers or employees.

It is not the intention of the management that the proposed by-law shall have the effect of providing reimbursement in any case in which reimbursement would be against public policy or otherwise in contravention of law.

The management has no knowledge of any proceeding pending or threatened to which the proposed by-law would now be applicable, nor of any past action of directors, officers or employees which would afford a basis for such a proceeding.

The Board of Directors of the Company has recommended the adoption of the foregoing proposal.

4. The notice of meeting also provides for the election of directors for the ensuing year and the transaction of such other business as may come before the meeting. At the date of this proxy statement, the management intends to present to the meeting no other business than the election of directors for the ensuing year and consideration of the proposal to amend the By-Laws of the Company to add a new article to be known as "ARTICLE IX" as hereinabove described and does not know of any business intended to be presented by others. However, if any other matters properly come before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote proxies given to them in accordance with their judgment on such matters. Stockholders have the right to bring before the meeting for consideration any matter or matters which they desire.

Action may be taken on the business to be transacted at the meeting of stockholders on the date specified in the notice of meeting, or on any date or dates to which by an original or later adjournment such meeting may be adjourned.

BOND STORES, INCORPORATED,

IRVING COHEN, *Secretary*.

Dated, New York, March 30th, 1942.